Fw: TMD Oppostion Letter

Nikki Schmidt to: Annette Ramirez, cr_board_clerk Clerk Recorder   06/09/2015 04:54 PM

For correspondence posting.....

Nikki J. Schmidt
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Administrative Office Mission Statement: Advise, interpret, and implement the goals and policies of the Board of Supervisors through effective leadership management of County services to achieve the County's vision of a safe, healthy, livable , prosperous and well-governed community.

----- Forwarded by Nikki Schmidt/Admin/COSLO on 06/09/2015 04:54 PM -----

From:	Toni LeGras <cayucahini@gmail.com>
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Date:	06/09/2015 04:49 PM
Subject:	TMD Oppostion Letter

Please include my letter in the Correspondence package for tomorrows meeting.
I do hope the supervisors will have a chance to read it.
Toni LeGras
Beachside Rentals
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be the change you wish to see in the world. . .   VR TMDBOS protest 3 2015.doc

Item No. 4
Meeting Date: June 10, 2015
Presented by:Toni LeGras
Rec'd prior to meeting & posted to web on: June 9, 2015

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Beachside Rentals, Inc.

June 9, 2015

Dear Board of Supervisors,

Below is a recap of my previous objections regarding the TMD, which I strongly oppose because:

1. The cities and the county of San Luis Obispo did not conduct an independent outside study to determine the need for the TMD. The county has relied only on lodging information provided by VisitSLOCO. No need for a TMD is demonstrated, as countywide occupancy is up without a TMD.

2. VisitSlOCO's District Marketing Plan was purchased from Civitas – *a company that earns is income promoting TMDs* across the State of California, Civitas promotes a "Keep up with the Jones' approach that will eventually cost travelers a fortune in the attempt to match Marketing spending with neighboring counties. This was not a neutral proposal from the start.

3. The District Marketing Plan "promises" to provide a special benefit to the assessed businesses, without stating what the specific benefit is. Promising something is very different than actually doing it, in the same way that promising to serve small business, is very different than actually doing it.

4. 95% of Vacation Rentals are located in the Unincorporated area, which is under a "no growth" ordinance, limiting stays and inventory. This TMD assessment harms those businesses.

5. 95 % of the Vacation Rentals (Unincorporated) already pay a 2% tax to the CBID (County Business Improvement District). The CBID, even after operating for a few years, is unable to provide TOT data by category to support whether or not this 2% assessment has been a benefit to the very different categories of business it is assessing. Without tracking this TOT data by different Lodging type, any BID is useless to the assessed lodging businesses.

6. 95 % of Vacation Rentals (Unincorporated) would be charging a 3% (2%CBID + 1% TMD) marketing assessment to its guests. A majority of these guests are repeat clients who stay an average of 5.9 nights, with an average bill of about $2000.00. This amounts to about $60.00 per reservation!!! For marketing, when they already know about our area. We are endangering our repeat clientele with these assessments.

7. The San Luis Obispo Grand Jury report on Vacation Rentals, issued in May 2015, officially recognizes there is a major problem with illegal vacation rentals that is not being addressed by the county. Any marketing efforts to increase demand for Vacation Rentals will increase the business for the unlicensed market, creating a 12% pricing advantage for them, thereby harming the licensed Vacation Rental market. In order to remain competitive, we will have to lower rates.

8. The City of San Luis Obispo has approved HomeStays, yet they have not been included in the discussion of collection for the TMD. The home stays are direct competitors with the BnB market.

    PLEASE EXCLUDE VACATION RENTALS AND BnBs from the TMD because they will not benefit.

Sincerely,

Toni LeGras
Broker/CEO/Beachside Rentals, Inc/CalDRE L

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